

RECREATION DISTRICT NO. 6
OF CAMERON PARISH
CAMERON, LOUISIANA

ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/23/11

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RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Management's Discussion and Analysis

Within this section of the Recreation District No. 6 of Cameron Parish, Louisiana's (District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the fiscal year ended December 31, 2010. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities by \$11,532,182 (net assets) for the fiscal year reported.
- Total revenues of \$4,873,881 exceeded total expenses of \$30,565 which resulted in a current year surplus of \$4,843,316, compared to a prior year surplus of \$1,779,732.
- Total net assets are comprised of the following:
 - (1) Capital assets of \$7,249,717 include property and equipment, net of accumulated depreciation. There is no outstanding debt related to the purchase or construction of capital assets.
 - (2) Unrestricted net assets of \$4,282,465 represent the portion available to maintain the District's continuing obligations to taxpayers and creditors.
- Overall, the District continues to maintain a strong financial position and is continuing to work to improve on this financial position. The recovery from Hurricanes Rita and Ike will have a financial impact (although unknown at this time) on the District in the near future.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements.

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Management's Discussion and Analysis (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base, or the condition of District infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the District's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by tax and from activities that are intended to recover all or a significant portion of their costs through user fees and charges.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole.

The District has one kind of fund:

Governmental fund is reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental fund. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Management's Discussion and Analysis (Continued)

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. This schedule demonstrates compliance with the District's adopted and final revised budget.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the District as a whole.

The District's net assets at fiscal year-end are \$11,532,182. The following table provides a summary of the District's net assets:

Assets:	<u>2010</u>		<u>2009</u>	
Current assets	\$ 4,750,965	40%	\$ 4,309,898	61 %
Capital assets, net	<u>7,249,717</u>	<u>60</u>	<u>2,726,224</u>	<u>39</u>
Total assets	<u>12,000,682</u>	<u>100%</u>	<u>7,036,122</u>	<u>100 %</u>
Liabilities:				
Current liabilities	<u>468,500</u>	<u>100%</u>	<u>347,256</u>	<u>100 %</u>
Net assets:				
Investment in capital assets	7,249,717	65%	2,726,224	41 %
Unrestricted	<u>4,282,465</u>	<u>35</u>	<u>3,962,642</u>	<u>59</u>
Total net assets	<u>\$11,532,182</u>	<u>100%</u>	<u>\$ 6,688,866</u>	<u>100 %</u>

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Management's Discussion and Analysis (Continued)

Net assets increased by \$4,843,316 for the current year (\$1,779,732 for 2009). Note that approximately 65% (41% for 2009) of the net assets are tied up in capital. The District uses these capital assets to provide services to its taxpayers.

The following table provides a summary of the District's changes in net assets:

Revenues:					
Program:		<u>2010</u>		<u>2009</u>	
Charges for services	\$	-	-%	\$	-
Grants and contributions		4,541,813	93		1,356,548
General:					
Property taxes, net		329,006	7		432,103
Interest		<u>3,062</u>	<u>-</u>		<u>5,000</u>
Total Revenues		4,873,881	<u>100%</u>		1,793,651
					<u>100 %</u>
Program expenses:					
General government		<u>30,565</u>			<u>13,919</u>
Change in net assets		4,843,316			1,779,732
Beginning net assets		<u>6,688,866</u>			<u>4,909,134</u>
Ending net assets		<u>\$ 11,532,182</u>			<u>\$ 6,688,866</u>

GOVERNMENTAL REVENUES

The District is heavily reliant on property taxes to support governmental operations. Property taxes provided 99% (99% for 2009), excluding grants and contributions, of the District's total revenues. As a result, the general economy and the local businesses have a major impact on the District's revenue streams.

BUDGETARY HIGHLIGHTS

The revenue and the expenditure side of the original budget for the General Fund was increased by \$20,528 and by \$1,904,179, respectfully, this year from the prior year. The primary change in the general fund's revenue budget relates to the anticipated increase in property tax revenues. The expenditure budget was mainly increased for capital outlay.

The original budget was amended once during the year. Revenues were increased by \$562. Expenditures were increased by \$1,416,568, mainly for capital outlay.

The actual revenues were in excess of the final budget by \$4,472,791 due to FEMA revenues and the final actual expenditure was in excess of the final expenditure budget by \$121,650 mainly due to capital outlay.

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Management's Discussion and Analysis (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The District's investment in capital assets, net of accumulated depreciation as of December 31, 2010, was \$7,249,717. See Note C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	2010	2009
Non-depreciable assets:		
Land	\$ 384,366	\$ 384,366
Construction in progress	<u>5,419,408</u>	<u>2,340,650</u>
	5,803,774	2,725,016
Depreciable assets:		
Improvements	1,464,335	1,280
Equipment	<u>11,117</u>	<u>11,117</u>
Total depreciable assets	1,475,452	12,397
Less accumulated depreciation	<u>29,509</u>	<u>11,189</u>
Book value-depreciable assets	<u>\$ 1,445,943</u>	<u>\$ 1,208</u>
Percentage depreciated	<u>2 %</u>	<u>90 %</u>
Book value-all assets	<u>\$ 7,249,717</u>	<u>\$ 2,726,224</u>

Depreciable asset additions for the year were \$1,463,055 for the Phase I – Site Restoration.

The construction in progress of \$5,419,408 at December 31, 2010 represents the cost to date of the Recreation Building Project. Total cost of this project is estimated at \$7,910,000 and is expected to be completed during 2011.

LONG-TERM DEBT

At the end of the fiscal year, the District had no debt.

ECONOMIC CONDITIONS AFFECTING THE DISTRICT

Since the primary revenue stream for the District is property taxes, the District's property tax revenues are subject to changes in the economy. Since property taxes are considered an "elastic" revenue stream, tax collections are higher in a flourishing economy and are lower in a depressed economy.

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Management's Discussion and Analysis (Continued)

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the District's Secretary/Treasurer, Belinda Dockins, P. O. Box 1250, Cameron, LA 70631.



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GUILLORY, JR., C.P.A.
GRAHAM A. PORTUS, E.A.
COY T. VINCENT, C.P.A.
MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.
JULIA W. PORTUS, C.P.A.
KATHRYN BLESSINGTON, C.P.A.

INDEPENDENT AUDITORS' REPORT

April 4, 2011

Board of Directors
Recreation District No. 6 of
Cameron Parish, Louisiana
Cameron, Louisiana

We have audited the accompanying basic financial statements of the Recreation District No. 6 of Cameron Parish, Louisiana, as of and for the year ended December 31, 2010, as listed in the table of contents. These basic financial statements are the responsibility of the Recreation District No. 6 of Cameron Parish, Louisiana's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Recreation District No. 6 of Cameron Parish, Louisiana, as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2011 on our consideration of the Recreation District No. 6 of Cameron Parish, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Board of Directors
April 4, 2011
Page Two

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements of the Recreation District No. 6 of Cameron Parish, Louisiana. The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gracson, Casiday & Guillory

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Statement of Net Assets

December 31, 2010

ASSETS	
Cash	\$ 1,156,172
Receivables	3,287,085
Prepaid expenses – Hurricane Rita	307,708
Capital assets:	
Land	384,366
Capital assets, net	<u>6,865,351</u>
Total assets	12,000,682
 LIABILITIES	
Accounts and other accrued payables	<u>468,500</u>
 NET ASSETS	
Invested in capital assets	7,249,717
Unrestricted	<u>4,282,465</u>
Total net assets	<u>\$ 11,532,182</u>

The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Statement of Activities

Year Ended December 31, 2010

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		Net Revenues (Expenses) and Changes in <u>Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
General government	\$ 30,565	\$ -	\$ 4,541,813	\$ 4,511,248
			General Revenues:	
			Property taxes, net	329,006
			Interest	<u>3,062</u>
			Total General Revenues	<u>332,068</u>
			Change in Net Assets	<u>4,843,316</u>
			Net Assets, beginning	<u>6,688,866</u>
			Net Assets, ending	<u>\$11,532,182</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Balance Sheet – Governmental Funds

December 31, 2010

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash	\$ 1,156,172	\$ 1,505,532
Receivables		
Ad valorem taxes (net)	355,850	425,336
Intergovernmental – FEMA	<u>2,931,235</u>	<u>2,071,322</u>
TOTAL ASSETS	<u>\$ 4,443,257</u>	<u>\$ 4,002,190</u>
 LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts payable	\$ 468,500	\$ 347,256
Deferred Income	<u>1,281,337</u>	<u>1,281,337</u>
	1,749,837	1,628,593
 Fund Equity		
Fund balances		
Unreserved and Undesignated	<u>2,693,420</u>	<u>2,373,597</u>
Total fund equity	<u>2,693,420</u>	<u>2,373,597</u>
 TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 4,443,257</u>	<u>\$ 4,002,190</u>

The accompanying notes are an integral part of these financial statements.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Reconciliation of the Balance Sheet-Governmental Funds to the
Statement of Net Assets

December 31, 2010

Total fund balance for governmental fund at December 31, 2010 \$ 2,693,420

Total net assets reported for governmental activities in the
statement of net assets is different because:

Capital assets used in governmental activities are
not financial resources and, therefore, are not reported
in the funds. Those assets consist of:

Land	\$ 384,366	
Capital assets, net of \$29,509 accumulated depreciation	<u>6,865,351</u>	7,249,717

Difference between deferred revenue on modified accrual basis versus accrual basis	<u>1,589,045</u>
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Total net assets of governmental activities at December 31, 2010 \$11,532,182

The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended December 31, 2010

	<u>2010</u>	<u>2009</u>
REVENUES		
Ad valorem taxes - net	\$ 329,006	\$ 432,103
Interest	3,062	5,000
Intergovernmental - FEMA	<u>4,541,813</u>	<u>1,356,548</u>
TOTAL REVENUES	<u>4,873,881</u>	<u>1,793,651</u>
 EXPENDITURES		
General Government		
Insurance-general	507	2,332
Per diem	640	380
Professional fees	3,500	4,325
Salaries	6,479	5,982
Supplies	7	191
Taxes	495	457
Utilities	617	220
Capital outlay	<u>4,541,813</u>	<u>1,359,834</u>
TOTAL EXPENDITURES	<u>4,554,058</u>	<u>1,373,721</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 319,823	 419,930
 FUND BALANCE - BEGINNING	 <u>2,373,597</u>	 <u>1,953,667</u>
 FUND BALANCE - ENDING	 <u>\$ 2,693,420</u>	 <u>\$ 2,373,597</u>

The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance-Governmental Funds to the Statement of Activities

Year Ended December 31, 2010

Total net changes in fund balance at December 31, 2010 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 319,823
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The change in net assets reported for governmental activities
in the statement of activities is different because:

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 4,541,813
Depreciation expense for the year ended December 31, 2010	<u>(18,320)</u> <u>4,523,493</u>

Total changes in net assets at December 31, 2010 per Statement of Activities	<u>\$ 4,843,316</u>
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The accompanying notes are an integral part of these financial statements.

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Recreation District No. 6 of Cameron Parish was created by the Cameron Parish Police Jury. The District is governed by a board of seven commissioners who are appointed by the Cameron Parish Police Jury. The District establishes regulations governing the park, playground and community center and provides administration, management, maintenance and operations of the facilities.

The more significant of the government's accounting policies are described below.

1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 64, the Recreation District No. 6 of Cameron Parish includes all funds, account groups, et cetera, that are within the oversight responsibility of the District.

As the governing authority, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting

Continued

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the Cameron Parish Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Cameron Parish Police Jury.
2. Organizations for which the Cameron Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Cameron Parish Police Jury.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, Recreation District No. 6 of Cameron Parish is a component unit of the Cameron Parish Police Jury's reporting entity.

2. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, concessions, usage fees, and other nonexchange revenues.

Continued

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of services offered by the District; and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

The District has one fund, the general fund, which is therefore considered its major fund.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, the activities are presented using the economic resources measurement focus. In the fund financial statements, the "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Continued

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

4. Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2010, the District had \$1,156,685 in deposits (collected bank balances), of which \$250,198 were secured from risk by federal deposit insurance and \$906,487 secured by safekeeping receipts.

Continued

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Budgets

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations at the activity level.

The budget was amended once during 2010.

6. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

7. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Continued

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment	5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the government fund upon acquisition.

8. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At December 31, 2010 the District's liability for compensated absences is \$0.

9. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Continued

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Equity Classification

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

11. Subsequent Events

Management has evaluated subsequent events through April 4, 2011, the date the financial statements were available to be issued.

12. Comparative Data

Comparative totals for the prior have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2010

NOTE B - AD VALOREM TAXES

For the year ended December 31, 2010, taxes were levied on property with taxable assessed valuations as follows:

	<u>General Purposes</u>
Assessed valuation	\$ 46,539,857
Mileage	7.90

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2010 follows:

	<u>Beginning Of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Land	\$ 384,366	\$ -	\$ -	\$ 384,366
Improvements	1,280	1,463,055	-	1,464,335
Equipment	11,117	-	-	11,117
Construction in progress	<u>2,340,650</u>	<u>4,541,813</u>	<u>1,463,055</u>	<u>5,419,408</u>
Totals at historical cost	2,737,413	6,004,868	1,463,055	7,279,226
Less accumulated depreciation for:				
Improvements	<u>11,189</u>	<u>18,320</u>	<u>-</u>	<u>29,509</u>
Governmental activities capital assets, net	<u>\$ 2,726,224</u>	<u>\$ 5,986,548</u>	<u>\$ 1,463,055</u>	<u>\$ 7,249,717</u>

The construction in progress of \$5,419,408 at December 31, 2010 represents the following:

	<u>CIP</u>	<u>Remaining Cost</u>
Recreation Building	<u>\$ 5,419,408</u>	<u>\$ 2,490,000</u>

Continued

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2010

NOTE C - CAPITAL ASSETS - CONTINUED

This project is expected to be completed during 2011. At December 31, 2010 the statement of net assets is reporting a receivable from FEMA, expected to completely fund current year additions, of \$2,931,235.

NOTE D - PER DIEM

As provided by Louisiana Revised Statute 33:4504, the board members received \$10 per diem for each regular and special meeting attended, but shall not be paid for more than twelve meetings in each year.

Boudreaux, James	\$ 110
Higgins, Darlene	110
LeBlanc, Carlton	90
Mooney, Chris	110
Mudd, Coy	20
Rowland, Tom	110
Theriot, Patrick	90
	<u>\$ 640</u>

NOTE E - RETIREMENT COMMITMENTS

The District participates in a state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the District's full-time employees. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. Additional disclosures with respect to the District's participation in these systems are provided below.

Parochial Employees' Retirement System

The System is composed of two district plans, Plan A and Plan B with separate assets and benefit provisions. Employees of the District are members of Plan B. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least twenty-eight hours per week, not participating in another public funded retirement system and under age fifty-five (55) at date of employment. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the system.

Continued

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2010

NOTE E - RETIREMENT COMMITMENTS - CONTINUED

Under Plan B, employees who retire at or after age 62 with at least 10 years of credited services, at or after age 55 with 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or jointed months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Parochial Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, LA 70898.

Plan members are required to contribute 2.0% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 2.5% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees. The District's contributions to the System for the year ended December 31, 2010 totaled \$0.

NOTE F - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE G- CONTINGENCIES

On September 23, 2005 Hurricane Rita struck Southwest Louisiana causing significant damage to the District's property and its infrastructure. It is estimated that the total damage was approximately \$3 million. At this time, the amount of potential uninsured and/or unreimbursed losses sustained by the District is estimated at \$0. At December 31, 2010 the statement of net assets is reporting net expenses/costs of \$307,708 representing hurricane related expenses/costs through that date. These costs will be capitalized upon replacement/rebuilding of the facilities in the future.

In September 2008 Hurricane Ike struck Southwest Louisiana causing damage to the District's property and its infrastructure. At this time, the amount of potential uninsured and/or unreimbursed losses sustained by the District is estimated at \$0.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

REQUIRED SUPPLEMENTAL INFORMATION

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Budgetary Comparison Schedule

Year Ended December 31, 2010

	BUDGET			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Ad valorem taxes-net	\$ 395,528	\$ 398,490	\$ 329,006	\$ (69,484)
Interest	5,000	2,600	3,062	462
Intergovernmental – FEMA	-	-	4,541,813	4,541,813
TOTAL REVENUES	<u>400,528</u>	<u>401,090</u>	<u>4,873,881</u>	<u>4,472,791</u>
EXPENDITURES				
General Government				
Insurance-general	2,000	-	507	(507)
Per Diem	840	640	640	-
Professional fees	4,000	3,500	3,500	-
Salaries	6,000	6,478	6,479	(1)
Supplies – other	500	30	7	23
Taxes	500	93	495	(402)
Utilities	2,000	560	617	(57)
Capital outlay	<u>3,000,000</u>	<u>4,421,107</u>	<u>4,541,813</u>	<u>(120,706)</u>
TOTAL EXPENDITURES	<u>3,015,840</u>	<u>4,432,408</u>	<u>4,554,058</u>	<u>(121,650)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,615,312)	(4,031,318)	319,823	4,351,141
FUND BALANCE-BEGINNING	<u>2,373,597</u>	<u>2,373,597</u>	<u>2,373,597</u>	-
FUND BALANCE-ENDING	<u>\$ (241,715)</u>	<u>\$ (1,657,721)</u>	<u>\$ 2,693,420</u>	<u>\$ 4,351,141</u>

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2010

<u>Federal Grantor/Pass- Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantors Number</u>	<u>Disburse- ments/ Expenses</u>
U.S. Department of Federal Emergency Management Agency	83.516	-	\$ 4,541,813

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Recreation District No. 6 of Cameron Parish under programs of the federal government for the year ended December 31, 2010. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of the Recreation District No. 6 of Cameron Parish, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Recreation District No. 6 of Cameron Parish. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



GRAGSON, CASIDAY & GUILLORY, L.L.P.
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W. GEORGE GRAGSON, C.P.A.
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RAYMOND GUILLORY, JR., C.P.A.
GRAHAM A. PORTUS, E.A.
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MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.
JULIA W. PORTUS, C.P.A.
KATHRYN BLESSINGTON, C.P.A.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

April 4, 2011

The Board of Directors
Recreation District No. 6 of Cameron Parish
Cameron, Louisiana

We have audited the financial statements of the Recreation District No. 6 of Cameron Parish, Louisiana, as of and for the year ended December 31, 2010, and have issued our report thereon dated April 4, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Recreation District No. 6 of Cameron Parish, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Recreation District No. 6 of Cameron Parish, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Recreation District No. 6 of Cameron Parish, Louisiana's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Recreation District No. 6 of Cameron Parish, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs.

Recreation District No. 6 of Cameron Parish, Louisiana's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Recreation District No. 6 of Cameron Parish, Louisiana's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and the Board and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Gragson, Casiday & Guillory



GRAGSON, CASIDAY & GUILLORY, L.L.P.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the Board of Directors
Recreation District No. 6 of Cameron Parish
Cameron, Louisiana

April 4, 2011

Compliance

We have audited the compliance of Recreation District No. 6 of Cameron Parish, Louisiana with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. Recreation District No. 6 of Cameron Parish, Louisiana's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Recreation District No. 6 of Cameron Parish, Louisiana's management. Our responsibility is to express an opinion on Recreation District No. 6 of Cameron Parish, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Recreation District No. 6 of Cameron Parish, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Recreation District No. 6 of Cameron Parish, Louisiana's compliance with those requirements.

In our opinion, Recreation District No. 6 of Cameron Parish, Louisiana complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The management of Recreation District No. 6 of Cameron Parish, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Recreation District No. 6 of Cameron Parish, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Recreation District No. 6 of Cameron Parish, Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Gragson, Casiday & Guillory

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Schedule of Findings and Questioned Costs

Year Ended December 31, 2010

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses(es) identified? ☐ yes ☒ no
- Control deficiency(s) identified that are not considered to be material weakness(es)? ☒ yes ☐ none reported
- Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Control deficiency(s) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☐ yes ☒ no

Identification of major programs:

CFDA Number
83.516

Name of Federal Program
Federal Emergency Management Agency

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

Continued

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Schedule of Findings and Questioned Costs - Continued

Year Ended December 31, 2010

II. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding 2010-1:

Inadequate Segregation of Duties

Condition: Because of the small size of the District's office staff, the opportunity for segregation of duties is limited. Effective internal control requires adequate segregation of duties among entity personnel.

Effect: Without proper segregation of duties, misstatements in amounts may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Corrective Action Planned: Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.

III. Federal Award Findings and Questioned Costs

- None

IV. Prior Year Audit Findings

Finding 2009.1:

Proper segregation of duties for effective internal controls is not in place.

Corrective Actions Taken: None, a repeat finding in 2010.

Finding 2009.2:

The District failed to comply with LA Rev. Stat. §39:1310 – whenever total actual expenditures and other uses exceed the total budgeted expenditures by 5% or more, the budget should be amended.

Corrective Actions Taken: Satisfactorily corrected.